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National Intelligence Bulletin

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July 11, 1975

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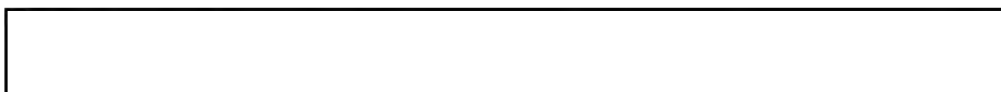
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PORTUGAL

The Portuguese Socialist Party withdrew from the four-party coalition government last night to protest the Revolutionary Council's naming of a military commission to run the Socialist newspaper *Republica*. The move came when *Republica* published an issue under the control of a workers' coordination committee with an army officer as editor.

The Socialists say their two ministers will not return to the government until the Revolutionary Council carries out its promise to return the paper to its legal owners. They have put out a communique saying that the alliance of Portuguese political forces must be based on the observance of pacts signed by them and upon respect "for the pledged word." The center-left Popular Democrats reportedly are considering pulling their two ministers out of the coalition government as well.

The Socialist Party has threatened to pull out of the government over various controversies since last January. The Armed Forces General Assembly's announced decision on Wednesday to create a system of popular organizations, however, moved the Socialists into more open defiance of the Armed Forces Movement. The Movement's proposals were seen by the Socialists and other moderates as a threat to bypass political parties altogether.

A document circulated among Socialist Party members yesterday said the Socialists would never accept popular councils or assemblies created outside the present party system. The party blamed the General Assembly's action on Communist influence and urged Socialists to prepare for nationwide demonstrations.

The Socialists' anger was aroused further by a demonstration held last night in front of the presidential palace. It was sponsored by the Communist-dominated labor confederation and attracted an estimated 15,000 workers. Both Prime Minister Goncalves and President Costa Gomes praised the crowd for supporting discipline and order.

The US embassy in Lisbon, meanwhile, has reported that Major Canto e Castro—regarded as a supporter of security forces commander Otelo de Carvalho and the leftist nationalist faction—led an attempt to remove Goncalves at a Revolutionary Council meeting last Wednesday. The attempt reportedly was halted by President Costa Gomes in an effort to maintain cohesion within the military leadership.

If the Socialists stick with their decision to remain in open opposition to the military government and are supported by the Popular Democrats, the government

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will be left almost totally in the hands of the Movement, the Communists, and the Communist-dominated Portuguese Democratic Movement. Military leaders will have to reorganize the cabinet, at least to replace the ministers who have resigned. If a new coalition cannot be put together, the Movement may be inclined to set up an all-military government to avoid international criticism of a government supported only by the Communists.

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USSR

During the first six months of this year, 6,253 people ostensibly bound for Israel received permission to emigrate from the USSR. This figure is more than 40 percent below the comparable 1974 figure and nearly 60 percent below the record high reached in the first half of 1973. More than half of those declaring for Israel have gone elsewhere—most to the US.

The Dutch embassy, which handles Israeli interests in the USSR, believes that the decline in emigration this year is probably attributable to the increasing success of Soviet authorities in dissuading potential emigrants from filing exit applications. In interviews conducted by the Dutch in the presence of Soviet interpreters, the emigrants claim that the Soviets offer inducements not to file, such as promises of advancement in employment and educational opportunities, coupled with negative pressures, such as reproaches from colleagues and neighbors who have been made aware that a family is considering emigration. While the emigrants do not report notable increases in outright harassment by Soviet authorities, those instances of imprisonment and loss of employment that have occurred have effectively intimidated many would-be applicants.

Disinformation on living standards in the West, as well as grapevine accounts of genuine difficulties in adjusting to life in Israel and the US, has also been instrumental in lowering the emigration rate. Even some of the better educated applicants appear genuinely to believe that unemployment and other economic woes have driven Western living standards lower than those in the Soviet Union. At present, the Dutch embassy reports, the only identifiable group still firmly committed to settling in Israel is the Oriental Jews from the Caucasus and Central Asian regions.

Party chief Brezhnev strongly implied in a recent meeting with a group of American senators that the tighter Soviet policy on Jewish emigration will continue. His remarks were obviously intended to make clear that no Soviet concessions could be expected before the US Congress removes the link between freer emigration and expanded trade.

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USSR-SOMALIA

During a conversation with a senior US official in Mogadiscio on July 7, Soviet Ambassador Samsonov admitted that there is a missile-handling facility at Berbera. He said it was for short-range missiles for the Somali navy. This is the first time a Soviet official has acknowledged that such a facility exists at Berbera.

Samsonov did not use the NATO term Styx, although it had been used in Moscow news commentary referring to Secretary Schlesinger's testimony before the House Armed Services Committee. Other Soviet military clients—such as Iraq and India—that have Styx missiles do not have a missile-handling facility like the one in Somalia. The lifting and handling equipment in the high bay building at Berbera is capable of handling missiles far larger than the Styx, or any other missile consistent with Somali needs or capabilities.

Samsonov met with President Siad following Senator Bartlett's tour of Berbera on July 4. He may have persuaded Siad that Bartlett's group had been allowed too easy access to installations in the area, because Congressman Stratton's tour two days later was more restricted.

Samsonov's admission may be the harbinger of a shift in Moscow's primary public line from denials of Soviet bases to assertions that all military facilities are there to serve the Somalis. It also seems to indicate that the Somalis will, indeed, get patrol boats for the Styx.

The question now is whether and how all the publicity will affect future Soviet use of the facilities. Soviet investment at Berbera is sizable, and the Soviets will curtail their operations there reluctantly, if at all. Their inclination probably will be to stay, with the hope that the worst of the embarrassment is behind them.

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ARAB STATES

The Palestine Liberation Organization may try, at the forthcoming Islamic foreign ministers' conference, to line up support for an attempt this fall to force Israel out of the United Nations General Assembly. The PLO's leading expert on UN affairs will be part of the Palestinian observer delegation at the conference, which opens in Jidda on July 12.

Since the suspension of South Africa from the 29th Assembly session late last year, some Arab and other Third World countries have been talking about a possible Arab-orchestrated effort to suspend Israel's voting rights in the UN General Assembly. Syria was an early and active proponent of the idea, backed by Algeria and Iraq.

More recently, spokesmen for the PLO's political department have been discussing such a move in Beirut newspaper articles and interviews. They predicted that action will be taken at the Islamic foreign ministers' conference, the Organization of African Unity meeting in Kampala later this summer, and the nonaligned states' meeting in Lima.



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This is the attitude of the Egyptians as well, and together with the Saudis and the Syrians, they should be able to stave off any effort by the Palestinians at the Jidda conference to accelerate the move. Foreign Minister Fahmi told the US ambassador yesterday that any move to expel Israel not only might force Israel to disregard all UN resolutions, but also would call into question the existence of the Geneva conference, which was originally convened under UN auspices.

Fahmi warned, however, that a groundswell of support is growing among the nonaligned nations for a move against Israel that he claimed—perhaps disingenuously—might be hard for the Arabs to fight. Fahmi may have been leaving the Arabs an out in the event peace negotiations break down between now and September. Arab reluctance to move against Israel could well dissipate if, before the

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General Assembly convenes, the negotiating process should break down or Israel itself were to make such an issue of the threat to its UN status as to provoke another assertion of the Third World's voting power in the Assembly.

European foreign ministries, responding to expressions of concern from the US, are currently making efforts to dissuade Arab and African diplomats from drawing parallels between the South African and Israeli cases.

Some Israeli commentators are urging that a US pledge to leave the Assembly, if Israel is forced out, be made part of any new Sinai disengagement agreement.

The most likely prospect is that the issue will sputter along throughout the summer, but will not take fire at the UN unless the principal Arab states then feel the need to put extraordinary pressure on Israel and its Western supporters.

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MALAGASY REPUBLIC

President Ratsiraka of the Malagasy Republic told the US charge yesterday that the NASA tracking station on the island will have to close because of Washington's refusal to make back rental payments. Ratsiraka indicated that the facility will have to shut down before the Apollo-Soyuz flight, which is due on July 15.

The closure of the station should have no effect on the joint US-Soviet flight, because other systems are available for tracking the spacecraft as they pass over that part of the Indian Ocean.

The agreement allowing the US to operate the station, concluded under a previous Malagasy regime, expired at the end of 1973. Ratsiraka, who was then foreign minister, demanded the payment of back rent in the amount of \$10 million for the period prior to 1973, as the price for renewing the agreement. He again pressed for such a payment after becoming president last month.

The US, while refusing to pay back rent, did agree to pay an annual rent of \$100,000 in the future.

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VIETNAM

Officials in Hanoi are, apparently for the first time, meeting some of their petroleum requirements from non-communist sources. The North Vietnamese last month approached two Singapore-based companies to purchase 8,000 to 10,000 tons of oil. The Vietnamese said they were trying to reduce their dependence on the USSR and China. At least part of the oil probably was intended for South Vietnam, where there are severe shortages.

Singapore is the logical supplier to both the North and South because of its proximity and the availability of small, coastal tankers. Three of the five major Singaporean refineries have financial ties with US companies and are currently forbidden by US law to trade with the Vietnamese.

One of the companies approached by the Vietnamese put them off because of its partnership with US oil firms. Subsequently, a British Petroleum affiliate filled the order for the fuel oil, and the Vietnamese indicated they would be buying more.

The potential of even a combined North and South Vietnamese market for non-communist suppliers is not likely to be great. Whatever the wishes of Hanoi, the two Vietnams cannot afford to buy much oil in world markets. The lack of large export earnings or Western financial aid precludes all but token hard-currency purchases for now.

As a result of severely depressed economic activity since the communist take-over, discouragement of private vehicular uses, and the termination of most military consumption, annual petroleum requirements in the South are probably only about a third of the 2 million tons imported in 1974. Although energy consumption will increase as industrial output and transport recover, planned conversion of oil-fired electric plants to coal, and repair and expansion of hydroelectric facilities could reduce future petroleum needs. North Vietnam's need for petroleum imports—which amounted to 775,000 tons last year—is expected to decline by at least one third, now that the military campaign in the South has ended.

Ultimately, Vietnamese officials hope to meet domestic needs from offshore oil production. Commercial output from this source is uncertain, however, and if proven would be at least five years away.

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LAOS: Vientiane has been quiet recently, but future demonstrations against US personnel in the capital are expected. Royal Air Lao contract service employees are again demanding that they be provided the same severance pay as that obtained by other Lao contract workers. About 50 of the employees reportedly are planning to detain the defense attache office aircraft when it arrives again in Vientiane, and US military flights into the capital have been suspended to avoid a confrontation. Demonstrators may, however, move against the US embassy if their demands are not met soon.

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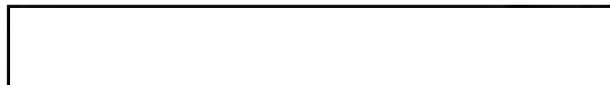
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